



MASSACHUSETTS
TECHNOLOGY
COLLABORATIVE

*Massachusetts Technology Collaborative
Renewable Solar Loan Initiative*

**Request for Proposals for Consumer Lending
Services**

RFP No. 2006-RSL-01

**Massachusetts Technology Collaborative
Renewable Energy Trust
75 North Drive
Westborough, MA 01581-3340
www.masstech.org**

Procurement Team Leader:	Ian Springsteel
RFP Issued:	February 23, 2006
Questions Due:	March 10, 2006 4:00 p.m.
Answers to Questions Posted:	March 14, 2006 5:00 p.m.
Optional Bidders Teleconference:	March 15, 2006 1:00 p.m.
Responses Due:	March 27, 2006 5:00 p.m.

Request For Proposals For Consumer Lending Services

RFP No. 2006-RSL-01

Summary

The Massachusetts Technology Collaborative ("MTC"), as administrator of the Massachusetts Renewable Energy Trust Fund (the "Trust"), is seeking proposals from financial institutions to provide consumer lending services, as more fully set forth in this Request for Proposals ("RFP").

The Massachusetts Heating Energy Assistance and Tax Relief Act of 2005 (hereinafter the "HEAT Legislation", the relevant portions of which are attached hereto as Attachment D) directs MTC, in its capacity as administrator of the Trust, to develop and implement a loan program (the "Solar Loan Program" or the "Program"). The proceeds from such loans (the "Qualifying Loans") are required to be used for the purchase and installation of Approved Photovoltaic Systems (as that term is defined in the Lender Services Agreement – see Attachment E) on the primary residences of low, moderate and upper-moderate income customers of deregulated electricity utilities (the "Qualified Participants") in Massachusetts. The HEAT Legislation requires MTC to expend at least \$1 million of Trust funds to make or cause to be made such Qualifying Loans. MTC's Board of Directors authorized \$1.25 million for this purpose on December 20, 2005.

In order to comply with the requirements of the HEAT Legislation, MTC desires to secure the participation of a single financial institution (the "Selected Lending Institution") to provide the lending services (the "Services", as more fully set forth in Section 2 of this RFP) necessary to implement the Solar Loan Program. This RFP outlines the desired parameters for Qualifying Loans to be made to Qualified Participants using the principal funds of the Selected Lending Institution, with MTC pre-paying interest and fees on Qualifying Loans directly to the Selected Lending Institution. To make this selection, MTC requests specific information from Respondents to this RFP (as more fully set forth in Section 4), including among other things: (i) the pricing on interest and fees of Qualifying Loans, (ii) a description of the Respondent's experience, existing systems and documentation to make such Qualifying Loans to residents across the Commonwealth, and (iii) the Respondent's interest in and commitment to energy efficiency and renewable energy business opportunities and practices. Please review Section 4 for the detailed list of Threshold Criteria, Competitive Criteria and Additional Criteria upon which Respondents will be judged.

Background

1.1 The Massachusetts Technology Collaborative

MTC is an independent economic development agency chartered by the Commonwealth to serve as a catalyst for growing the state's innovation economy. MTC brings together leaders from industry, academia, and government to advance

technology-based solutions that lead to economic growth and a cleaner environment in Massachusetts. MTC energizes emerging markets in the high-tech sector by filling gaps in the marketplace, connecting key stakeholders, expanding broadband services, conducting critical economic analysis, and providing access to intellectual and financial capital. For additional information about MTC and its programs and initiatives, please visit our website at www.masstech.org.

1.2 The Renewable Energy Trust

MTC administers the Trust to help build a sustainable, competitive market for renewable energy in the Commonwealth. The Trust was created by the Electric Utility Restructuring Act of 1997. MTC's legislative mandate is to increase the supply of and demand for green power while expanding economic activity in the Commonwealth's renewable energy industry. MTC aims to promote the development of a sustainable green power market in Massachusetts in keeping with the public purposes of the Trust as stipulated in the Electric Utility Restructuring Act.

2. Scope of Services

The Solar Loan Program will offer loans with a level principal payback to borrowers whose income is equal to or less than an upper-moderate income threshold (the "Income Threshold", as more fully set forth below). Borrowers shall not be responsible for loan interest. It is preferred that the Qualifying Loans be unsecured; but in any case, they shall not be secured by home mortgages. The proceeds of such Qualifying Loans are required to be used for the purchase and installation of Approved Photovoltaic Systems on the Qualified Participants' primary residential properties. The Qualifying Loan applications must be made available for any Approved Photovoltaic System installed on or after March 1, 2006. The goals of the Program are to assist Qualified Participants in lowering their energy consumption from the electric grid, fixing a portion of their energy bill, and facilitating the increased installation of Approved Photovoltaic Systems throughout the Commonwealth.

The Income Threshold for Qualified Participants shall initially be set at the level of or below the latest available U.S. Department of Housing and Urban Development's median income measure, based on the applicant's latest 13 weeks of income annualized, for the applicant's household situation within the applicant's official metropolitan statistical area (the "MSA"), which must be in Massachusetts. As more clearly set forth in the Lender Services Agreement (see Attachment F), it will be the Selected Lending Institution's responsibility to qualify or deny potential borrowers based on their income and area of residence and on the Selected Lending Institution's own general underwriting criteria for the Solar Loan Program. Furthermore, the Selected Lending Institution must verify that the Approved Photovoltaic System is installed on the Qualified Participant's primary residence, and in the same MSA that the Qualified Participant claims as their area of residence, and that the residence is served by an investor-owned electric utility, as specified in the Lender Services Agreement.

The Selected Lending Institution shall provide the principal for the loans. No MTC funds will be used for loan principal amounts. Subject to the limitations set forth in the Lender Services Agreement, MTC prefers to pay to the Selected Lending Institution the value of the interest on each Qualifying Loan in a lump sum. The Selected Lending Institution will invoice MTC, as set forth in the Lender Services Agreement, for such interest amounts, plus any approved fees (with such interest rate and fees being a primary consideration in MTC's review, evaluation and selection of the Respondent). The Selected Lending Institution shall be required to perform all servicing of the Qualifying Loans and collection of the principal on each such Qualifying Loan made over its life, or cause such servicing to be performed. MTC shall not be responsible for any default or failure of a Qualified Participant to make payment under a Qualifying Loan. It shall be the Selected Lending Institution's sole responsibility to collect principal payments owed.

In addition to the foregoing, MTC is seeking:

- 1) Competitive pricing, which should include interest rates and fees for all payment for origination and underwriting, servicing, legal and other expenses, as well as the discount rate to be used to determine the lump sum payment amounts;
- 2) A borrowing term of at least seven (7) years, with preference given to longer terms;
- 3) A Respondent able to make applications for these loans available and accessible to all residents of the Commonwealth;
- 4) The potential for a portion of or the entire Qualifying Loan to be disbursed as a down payment on and otherwise prior to the completed installation of the Approved Photovoltaic System;
- 5) A Respondent interested in offering market rate (potentially home equity) financing in a separate program slated toward solar photovoltaic installations, unrelated to this Program; and,
- 6) A Respondent demonstrating interest in promoting "green" buildings and energy efficiency, advancing renewable energy installations, and supporting efforts to increase the general public's familiarity such technology. Additional commitments to green lending and other renewable energy-focused business opportunities are also a plus (such as prior or existing subsidies for energy efficiency home improvement loans, vehicle purchase loans for "hybrid" automobiles or other PV system lending programs).

Security and Income Underwriting Issues

MTC has a strong preference that the Qualifying Loans made in this Program be unsecured, and specifically no Qualifying Loans may be secured by mortgages on the Qualified Participants' homes. Rather, the Qualifying Loans will be made on a credit and income basis by the Selected Lending Institution. MTC specifically seeks information from Respondent's concerning what it views as the expected default ratio for such Qualifying Loans, and how it calculates the price of risk for different borrowers as a result. If Respondents conclude that they are not able to offer

unsecured Qualifying Loans but still desire to submit a response to the RFP , Respondents may propose using loan structures which utilize some non-mortgage types of security, such as property liens or cash collateral, to offset the potential for defaults and principal losses.

Ideally, Respondents should treat the expected reduction in monthly utility payments as an addition to the Qualifying Loan applicant's available income when underwriting the Qualifying Loan if available income is a factor considered in the underwriting. The Approved Photovoltaic System should offset a portion of the Qualified Participant's monthly electricity bill, and with the appropriate term length, the Qualifying Loan principal payment will ideally be at or near this offset amount, making the Qualifying Loan nearly cash-neutral for the borrower.

The Proposed Qualifying Loan Process

MTC envisions the following process for the Selected Lending Institution to make Qualifying Loans under the Program:

A potential borrower decides to investigate whether a solar PV system would be a good addition to the borrower's property. The borrower then arranges for an initial quote with a solar PV installer, who assesses the borrower's home and site for an effective PV installation. A typical PV system for a median sized home would be approximately 2,500 Watts (AC-rated maximum capacity), installed at an average cost of \$8/Watt. The system thus costs \$20,000. The installer may also be able to provide the potential borrower with information regarding various financing mechanisms available to the borrower.

In addition to the Solar Loan Program, the installer may tell the borrower about MTC's Small Renewables Initiative ("SRI"). SRI provides rebates to homeowners and businesses installing renewable energy systems smaller than 10kW in capacity. Rebates under SRI are based on a \$/watt schedule and are distributed on a non-competitive, first-come first-served basis. (Please see Attachment E for a fuller description of SRI and the proposed rebate schedule for the current round.) The borrower applies to both MTC (under SRI) and to the Selected Lending Institution for a Qualifying Loan. In this example, the borrower would be eligible for a \$4/Watt rebate, or \$10,000, under SRI and would need a Qualifying Loan from the Selected Lending Institution in an amount up to \$10,000.

Once the borrower learns he or she has been approved for both the rebate and the Qualifying Loan (making the borrower a Qualified Participant), the Qualified Participant contacts the installer and arranges for the design and installation of the Approved Photovoltaic System. Upon the execution of the installation agreement by the Qualified Participant and the installer, the Selected Lending Institution releases a portion of the Qualifying Loan funds to the Qualified Participant to be used as a down-payment to the installer. The installer then may use these funds as a down payment on the equipment for the Approved Photovoltaic System. If desired by the Selected Lending Institution, these funds could be paid directly to the installer or equipment supplier.

When the equipment for the Approved Photovoltaic System is delivered and installed, the Qualified Participant and the installer submit paperwork to the Selected Lending Institution certifying that the work has been completed and the Approved Photovoltaic System is operational. Upon such notification, the Selected Lending Institution releases the remaining funds to the Qualified Participant.

On a quarterly basis, the Selected Lending Institution submits to MTC documentation of the complete disbursement of all Qualifying Loan funds for the applicable quarter. MTC will review the documentation provided and, upon verification, will issue a check to the Selected Lending Institution in an amount equal to the interest and fees on the Qualifying Loans at a discounted present value as agreed to in the Lender Services Agreement. The Selected Lending Institution will continue to service the Qualifying Loan collecting the principal from the Qualifying Participant over the Qualifying Loan's term.

It is MTC's belief that its pre-payment of the interest and fees on Qualifying Loans should not constitute reportable income to Qualifying Participants for purposes of payment of federal taxes. Applicable analysis on this matter is set forth in Attachment C. Because MTC does not wish to actually, apparently or implicitly provide tax advice to applicants or the Respondents under the Solar Loan Program, Respondents are (1) prohibited from providing Attachment C or any tax advice to applicants without the prior written approval of MTC and (2) must explicitly state in the loan application documentation that applicants should seek advice from their own tax counselors. Respondents should, of course, also seek advice from their own tax advisors.

3. Submittal Requirements & Format

3.1 General Requirements

Respondents are cautioned to read carefully and conform to the requirements of this specific RFP. Failure to comply with the provisions of this RFP may serve as grounds for rejection of a response. Responses must be received by MTC by **Monday, March 27, 2006, at 5 p.m.** Responses will be time-stamped upon receipt and late-filed responses will be returned to the sender un-opened. It is the sole responsibility of the Respondent to see that its response to this RFP is complete and is received before the deadline.

(a) All responses must be submitted in writing, on 8 ½ x 11 paper (including all required submissions), with one (1) bound original, 5 bound copies (no three ring binders) and one (1) unbound copy thereof.

(b) Responses must be delivered to:

Solar PV Qualifying Loan Initiative
Request for Proposals for Lending Services
RFP No. 2006-RSL-01
Massachusetts Technology Collaborative
75 North Drive
Westborough, MA 01581-3340

- (c) Additionally, a single electronic file (Adobe PDF, or MS Word/Excel) of the response must also be submitted via electronic mail to solarpvloans@masstech.org.

Respondents are cautioned to review the procedures regarding the submission of sensitive information contained in Attachment A prior to submitting the electronic copy of their proposal. Pursuant to those procedures, Respondents should consider deleting information from the electronic copy that Respondent contends is confidential.

- (d) A certification must be included in the response, indicating compliance with the terms, conditions and specifications contained in this RFP. By executing the Authorized Respondent's Signature and Acceptance Form set forth as Attachment B, Respondent will have satisfied this requirement.
- (e) Any and all data, materials and documentation submitted to MTC in response to this RFP shall become MTC's property and shall be subject to public disclosure under the Massachusetts Public Records Act. In this regard, Respondents are required to sign the Authorized Respondent's Signature and Acceptance Form, set forth as Attachment B hereto.

RESPONDENTS PLEASE NOTE: BY EXECUTING THE AUTHORIZED RESPONDENT'S SIGNATURE AND ACCEPTANCE FORM AND SUBMITTING A RESPONSE TO THIS RFP, RESPONDENTS CERTIFY THAT THEY: (1) ACKNOWLEDGE AND UNDERSTAND THE PROCEDURES FOR HANDLING MATERIALS SUBMITTED TO MTC, AS SET FORTH IN ATTACHMENT A HERETO, (2) AGREE TO BE BOUND BY THOSE PROCEDURES, AND (3) AGREE THAT MTC SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR THE DISCLOSURE OF ANY MATERIALS SUBMITTED TO MTC PURSUANT TO THIS RFP OR UPON RESPONDENT'S SELECTION AS A CONTRACTOR.

3.2 Bidders' Conference and Questions

Questions regarding this RFP must be submitted exclusively via e-mail to solarpvloans@masstech.org, by **4:00 p.m. March 10, 2006**. All questions and answers will be posted on MTC's website on or before March 14, 2006, at 5 p.m. NO PHONE CALLS PLEASE.

An optional bidders' teleconference will be held from 1 – 2:30 p.m. **March 15, 2006**. All potential Respondents interested in participating in the teleconference must register with MTC by 11 a.m. **March 14, 2006**. Specific conference call dial-in procedures will be given out via email once all Respondents are registered. **To register, please email** solarpvloans@masstech.org. MTC will post summary responses to procedural questions and issues addressed at the bidders' teleconference on its website.

3.3 Proposal Requirements

Respondents interested in providing services to the MTC are required to include the following items in their response to this RFP, preferably in the order shown here.

Executive Summary

Respondents must provide a summary of the lending institution's qualifications and proposed approach for providing the Services set forth in this RFP. This summary shall be a maximum of four (4) pages in length and should describe the overall approach proposed for the Program.

The Executive Summary shall include:

- A general description of Respondent including the nature of the business or organization, its size and organizational structure, the types of services provided and clients served and, in the case of a Respondent that is not a bank, any applicable licenses or regulatory approvals. This description should include an identification of any subcontractors proposed to be used by Respondent and their expertise;
- The name, title (s) and contact information for the individual(s) authorized to negotiate and contractually bind Respondent. **Proposals must be signed by an official authorized to contractually bind the Respondent;** and
- The name, title (s) and contact information for the individual(s) who may be contacted by MTC for purposes of clarification or the provision of additional information as necessary.

Technical Proposal

- A description of the scope of consumer lending services currently offered by Respondent, with an explanation concerning Respondent's ability to provide the specific type of Qualifying Loan described in this RFP, including its accessibility by residents across the Commonwealth;
- A description of any other energy efficiency or renewable energy focused lending programs or business opportunities that the institution has offered or pursued in the past, appropriately highlighting any experience with solar PV systems and residential energy systems;
- A description of any other initiatives the institution may be party to that encourages energy efficiency, "green building" (e.g., U.S. Green Building Council certified) construction and usage, the deployment of renewable energy technology, or other "green" initiatives; and,
- A description of the lender's underwriting criteria for Qualified Participants, including minimum credit score and maximum debt-to-income ratios, if applicable, along with any special considerations or alternative standards that the lender may use to reflect the nature of these Qualifying Loans (such as the utility payment offset effect, described above).

Pricing

Respondents must submit detailed pricing information associated with offering the Qualifying Loans under this RFP, including but not limited to any fees for which Respondent will be seeking reimbursement from MTC such as start-up fees (including any legal fees), transactional fees, and any other information concerning fees of any kind. If Respondent expects to charge separate fees to borrowers, such as late payment fees, such fees must be specifically listed and described. MTC prefers that the proposed interest to be charged to be quoted as a basis point spread over an established cost of funds index, such as the 10-year U.S. Treasury bond rate. The spread plus the underlying rate at the time of the loan closure shall be charged at a fixed rate for the term of each loan (see Attachment F, Section 2, for details). Fixed fees per loan or at the outset of the Program, if any, should be quoted separately.

Interest pricing information should be quoted as fixed spreads for each term length of Qualifying Loans offered, either (i) the same spread for all Qualified Participants regardless of credit history (option A); or (ii) for individual Qualified Participants, based on the average of their credit scores as recorded by at least two nationally-recognized, credit scoring agencies (option B). If the Selected Lending Institution chooses to make Qualifying Loans using option A, the rate paid by MTC for each Qualifying Loan of that particular term (e.g., 10-year or 15-year) would be the same for all Qualified Participants. If the Selected Lending Institution chooses to make loans based on option B, the rate paid by MTC for the term of the loan for each Qualified Participant should be proposed in the following format.

Borrower Credit Score	10-Year Qualifying Loan Spread (basis points)	15-year Qualifying Loan Spread (basis points)
Below 599		
600-639		
640-679		
680-719		
720+		
Even Weighted Avg.*		

*For the five bands above, each at 20% weighting.

4.0 Evaluation Process and Criteria

MTC intends to enter into a Lender Services Agreement (or "Agreement") with a single Respondent to provide the requested services. As part of the evaluation process, MTC will review and rank all proposals and may interview one or more Respondents. The ranking of proposals will be based on specific criteria including, but not limited to:

Threshold Criteria

- Willingness and ability to underwrite and fund fixed-rate, unsecured loans for a period of at least seven (7) years to Qualified Participants that qualify under MTC's prescribed Income Threshold;
- Willingness and ability to service such Qualifying Loans, or arrange for servicing, for the life of the Qualifying Loans;
- Respondent must be authorized to make such Qualifying Loans in the Commonwealth of Massachusetts; and,
- Ability to make Qualifying Loan application, closure and fund disbursements conveniently available to all residents of the Commonwealth, preferably via an Internet-based application and approval process, as well as traditional channels (physical locations, mail and telephone application processes);

Competitive Criteria

- Competitive pricing of spread on the Qualifying Loans;
- Willingness to make Qualifying Loans at longer terms to Qualified Participants, such as terms of 10 years or 15 years;
- The percentage rate at which scheduled interest payments will be discounted to determine their present value; and,
- All fees, per loan or otherwise, including fees to be charged directly to borrowers (such as late payment fees).

Additional Criteria

- Willingness to advance all or a substantial portion of the Qualifying Loan prior to completion of the installation of the Approved Photovoltaic System, to enable down-payment to installer;
- Respondent's willingness to utilize the draft Lender Services Agreement (appended hereto as Attachment F) or a substantially similar form (fewer exceptions and counter-proposals to the Agreement will receive a more favorable evaluation);
- Demonstrated knowledge of the subject area, including experience with programs similar to that set forth in this RFP, or other transactions involving public agencies providing lending services to third-party borrowers;
- Record of performance with other clients;
- Ability to comply with the requirements of federal and state law relative to Equal Employment Opportunity;
- Willingness to offer market rate loans, mortgage or non-mortgage, to borrowers above the income limits prescribed in this program for the purpose

of funding solar PV installations, preferably at a competitive or subsidized interest rate; and,

- Demonstrated institutional interest and/or activity in promoting energy efficiency, renewable energy and solar PV systems and awareness, either through other existing or past lending programs, business practices, or planned business activities and opportunities.

The order of these factors does not denote relative importance. MTC reserves the right to consider such other relevant factors as it deems appropriate in order to negotiate an engagement that will insure the best value purchase to MTC. MTC may or may not seek additional information from Respondents prior to making its decision.

If a Respondent determines that it cannot reply to this RFP due to the conditions and preferred criteria outlined here, MTC encourages such respondents to outline such problems, and propose criteria or conditions that would work in their place, if the changes do not materially affect the policy goals, financial performance or proposed operations of the Solar Loan Program. For example, if a potential Respondent is unable to offer fixed rate loans, but could offer floating rate loans that otherwise meet this RFP's criteria, MTC would entertain such proposals from Respondents. In the event that a Respondent submits an application based on a floating rate of interest, Respondent is required to submit modifications to the Lender Services Agreement that would address the mechanics of floating versus fixed interest rate loans, and any other exceptions or special arrangements that would be required to implement a floating interest rate program.

This RFP does not commit MTC to pay any costs incurred in preparing a response, or to procure any services or supplies. MTC reserves the right to accept or reject any proposal received, negotiate with any qualified Respondents, cancel or modify this RFP in part or in its entirety, or change the RFP's guidelines, when it is in the best interests of MTC. All conditions, covenants, duties and obligations with respect to the provision of services will be contained in the Agreement.

5. General Conditions

5.1 General Information

- (a) The terms of 801 C.M.R. 21.00: Procurement of Commodities and Services are incorporated by reference into this RFP. The foregoing notwithstanding, MTC's Master Agreement for Services incorporates the Commonwealth's Terms and Conditions and shall constitute the only contract requiring execution. Words used in this RFP shall have the meanings defined in 801 C.M.R. 21.00. Additional definitions may also be identified in this RFP. All terms, conditions, requirements, and procedures included in this RFP must be met for a response to be determined responsive. If a Respondent fails to meet any material terms, conditions, requirements or procedures, its response may be deemed unresponsive and disqualified.

- (b) All responses, proposals, related documentation and information submitted in response to this RFP are subject to the Massachusetts Public Records Act, M.G. L. C 66, §10, and to M.G.L. c. 4, §7(26), regarding public access to such documents. Any statements reserving any confidentiality or privacy rights in submitted responses or otherwise inconsistent with these statutes will be void and disregarded. The foregoing notwithstanding, MTC has developed a set of procedures to deal with all documents submitted to it in response to this RFP, and those procedures are set forth in Attachment A hereto. By executing the Authorized Respondent's Signature and Acceptance Form, set forth as Attachment C hereto, Respondent acknowledges, understands and agrees to be bound by the procedures set forth in Attachment A, and agrees that MTC shall not be liable under any circumstances for the subsequent disclosure of any materials submitted to it by Respondent pursuant to this RFP and/or in connection with any agreement entered into between Respondent and MTC as a result of the RFP process.
- (c) Further, any selected Respondent must recognize that in the performance of the agreement it may become a holder of personal data (as defined in M.G.L. c. 66A) or other information deemed confidential by the Commonwealth and/or MTC. Respondent shall comply with the laws and regulations relating to confidentiality and privacy, including any rules or regulations of MTC. MTC has developed guidelines for contractor's receipt of personal and/or confidential data, as set forth in Attachment A hereto. By executing the Authorized Respondent's Signature and Acceptance Form, set forth as Attachment C hereto, Respondent acknowledges, understands and agrees to be bound by the procedures set forth in Attachment A, and agrees that MTC shall not be liable under any circumstances for the subsequent disclosure of any materials submitted to it by Respondent pursuant to this RFP and/or in connection with any agreement entered into between Respondent and MTC as a result of the RFP process.
- (d) It is the policy of MTC that agreements are awarded only to responsive and responsible Respondents. In order to qualify as responsive, the Respondent must respond to all requirements of the RFP in a complete and thorough manner. In order to qualify as responsible, the Respondent must demonstrate: (1) the availability of adequate resources and staffing to efficiently and expeditiously service the needs of this RFP; (2) the necessary experience, organization, qualifications, skills and facilities to provide the types of services set forth in this RFP; (3) a satisfactory record of performance in the provision of services of the same or similar type set forth in this RFP; and (4) the ability and willingness to comply with the requirements of Federal and State law relative to equal employment opportunity.
- (e) MTC makes no guarantee that any services will be purchased pursuant to any agreement entered into with a Respondent as a result of this RFP.
- (f) Unless otherwise specified in this RFP, all communications, responses, and documentation must be in English, and all cost proposals or figures in U.S.

currency. All responses must be submitted in accordance with the specific terms of this RFP. Respondents should note that the procedures for handling information deemed sensitive by Respondent and submitted to MTC set forth in Attachment A apply only to hard copy documents, and are not applicable to information submitted by, among other methods, e-mail, facsimile or verbally.

- (g) Respondents are prohibited from communicating directly with any employee of MTC except as specified in this RFP, and no other individual Commonwealth employee or representative is authorized to provide any information or respond to any questions or inquiries concerning this RFP. Respondents may contact the Procurement Team Leader for this RFP in the event this RFP is incomplete.
- (h) The Procurement Team Leader may provide reasonable accommodations, including the provision of material in an alternative format, for qualified Respondents with disabilities or other hardships. Respondents requiring accommodations shall submit requests in writing, with supporting documentation justifying the accommodations, to the Procurement Team Leader. The Procurement Team Leader reserves the right to grant or reject any request for accommodations.
- (i) If a Respondent is unable to meet any of the specifications required in this RFP, the Respondent's response must include an alternative method for meeting such specification by identifying the specification, the proposed alternative and thoroughly describing how the alternative achieves substantially equivalent or better performance to the performance required in the RFP specification. MTC will determine if a proposed alternative method of performance achieves substantially equivalent or better performance.
- (j) The goal of this RFP is to provide the best value of services to achieve the procurement goals of MTC. Respondents proposing alternatives which provide substantially better or more cost effective performance than achievable under a stated RFP specification, or Respondents that propose discounts, uncharged services or other benefits in addition to the RFP specifications may receive a preference or additional points under this RFP as specified.
- (k) Costs that are not specifically identified in the Respondent's response and not specifically accepted by MTC as part of an agreement will not be compensated under any agreement awarded pursuant to this RFP. MTC shall not be responsible for any costs or expenses incurred by Respondents in responding to this RFP.
- (l) The Respondent may not alter the RFP or its components except for those portions intended to collect the Respondent's response (e.g., cost pages, etc.). Modifications to the body of this RFP, specifications, terms and conditions, or which change the intent of this RFP are prohibited. Any modifications other than where the Respondent is prompted for a response will disqualify the response.

- (m) Respondent's submitted response shall be treated by MTC as an accurate statement of Respondent's capabilities and experience. Should any statement asserted by Respondent prove to be inaccurate or inconsistent with the foregoing, such inaccuracy or inconsistency shall constitute sufficient cause for rejection of the response and/or of any resulting agreement. The RFP evaluation committee will rule on any such matters and will determine appropriate action.
- (n) If MTC determines that it is necessary to revise any part of this RFP, or if additional data is necessary to clarify any of its provisions, a supplement will be posted to the MTC website. MTC reserves the right to amend the RFP at any time prior to the deadline for submission of responses. Respondents are encouraged to visit the website periodically to check for any amendments to this RFP.
- (o) Submitted responses must be valid in all respects for a minimum period of 120 days after the deadline for submission, and thereafter until withdrawn in writing by the Respondent, an agreement is made and approved, or the procurement is terminated by the evaluation committee, whichever occurs first. The response submitted by the selected Respondent(s) will be an addendum to the agreement.
- (p) MTC's prior approval is required for any subcontracted services under any agreement entered into as a result of this RFP. Selected Respondents are responsible for the satisfactory performance and adequate oversight of their subcontractors. Subcontractors are required to meet the same requirements and are held to the same reimbursable cost standards as the selected Respondents.
- (q) It is anticipated that MTC shall select one Respondent to this RFP and intends to enter into a Lender Services Agreement with the Selected Lending Institution. It is further anticipated that the term of the Lender Services Agreement entered into pursuant to this RFP will be for a term of eighteen (18) months, with MTC options to renew the agreement in its discretion.
- (r) **RESPONDENTS PLEASE NOTE:** Individuals performing services to MTC may be considered to be "state employees" and subject to the provisions of the Massachusetts Conflict of Interest Law (M.G.L. c.268A). Respondents should be aware that MTC will not assign a work order to any firm that may be in a situation that raises conflicts under the statute, and that accepting work may preclude the Respondent and/or its primary personnel under a contract entered into pursuant to this RFP, from accepting assignments from MTC's grantees. Please see <http://www.masstech.org/AgencyOverview/procurement.htm>.

5.2 Contractual Requirements

The selected Respondent(s) will execute the Lender Services Agreement, appended hereto as Attachment F. **RESPONDENTS ARE REQUIRED TO SPECIFY ANY EXCEPTIONS TO THE LENDER SERVICES AGREEMENT AND TO MAKE ANY**

SUGGESTED COUNTERPROPOSAL WITH THEIR RESPONSE. A FAILURE TO SPECIFY EXCEPTIONS AND/OR COUNTERPROPOSALS WILL BE DEEMED AN ACCEPTANCE OF THE LENDER SERVICE AGREEMENT'S TERMS AND CONDITIONS, AND NO NEGOTIATION OF SUCH TERMS AND CONDITIONS SHALL OCCUR AFTER AN AWARD HAS BEEN MADE.

5.3 Waiver Authority

MTC reserves the right, at its sole discretion, to waive minor irregularities in submittal requirements, to request modifications of the response, to accept or reject any or all responses received, and/or to cancel all or part of this RFP at any time prior to awards.

5.4 Disclaimer

This RFP does not commit MTC to award any funds, pay any costs incurred in preparing a response, or procure or contract for services or supplies. MTC reserves the right to accept or reject any or all responses received, negotiate with all qualified respondents, cancel or modify the RFP in part or in its entirety, or change the response guidelines, when it is in its best interests.

5.5 Changes/Amendments to RFP

This RFP has been distributed electronically using MTC's website. It is the responsibility of respondents to check MTC's website for any addenda or modifications to a RFP to which they intend to respond. MTC, the Commonwealth of Massachusetts, and its subdivisions accept no liability and will provide no accommodation to respondents who submit a response based on an out-of-date RFP document.

Attachment A

The Massachusetts Technology Collaborative Policy and Procedures Regarding Submission of "Sensitive Information"

The Massachusetts Technology Collaborative and the Massachusetts Renewable Energy Trust which it administers (collectively referred to herein as "MTC") is subject to the requirements concerning disclosure of public records under the Massachusetts Public Records Act, M.G.L. c. 66 (the "Public Records Act"), which governs the retention, disposition and archiving of public records. For purposes of the Public Records Act, "public records" include all books, papers, maps, photographs, recorded tapes, financial statements, statistical tabulations, or other documentary materials or data, regardless of physical form or characteristics, made or received by MTC. As a result, any information submitted to MTC by a grant applicant, recipient grantee, respondent to a request for response (including, but not limited to an RFQ, RFP and RFI), contractor, or any other party (collectively the "Submitting Party") is subject to public disclosure as set forth in the Public Records Act.

The foregoing notwithstanding, "public records" do not include certain materials or data which fall within one of the specifically enumerated exemptions set forth in the Public Records Act or in other statutes, including MTC's enabling act, M.G.L. Chapter 40J. One such exemption that may be applicable to documents submitted by a Submitting Party is for any documentary materials or data made or received by MTC that consists of trade secrets or commercial or financial information regarding the operation of any business conducted by the Submitting Party, or regarding the competitive position of such Submitting Party in a particular field of endeavor (the "Trade Secrets Exemption").

It is MTC's expectation and belief that the overwhelming percentage of documents it receives from a Submitting Party does not contain any information that would warrant an assertion by MTC of an exemption from the Public Records Act. Submitting Parties should therefore take care in determining which documents they submit to MTC, and should assume that all documents submitted to MTC are subject to public disclosure without any prior notice to the Submitting Party and without resort to any formal public records request.

In the event that a Submitting Party wishes to submit certain documents to MTC and believes such a document or documents may be proprietary in nature and may fall within the parameters of the Trade Secrets Exemption and/or some other applicable exemption, the following procedures shall apply:

1. At the time of the Submitting Party's initial submission of documents to MTC, the Submitting Party must provide a cover letter, addressed to MTC's General Counsel, indicating that it is submitting documents which it believes are exempt from public disclosure, including a description of the specific

exemption(s) that the Submitting Party contends is/are applicable to the submitted materials, a precise description of the type and magnitude of harm that would result in the event of the documents' disclosure, and a specific start date and end date within which the claimed exemption applies. If different exemptions, harms and/or dates apply to different documents, it is the Submitting Party's responsibility to provide detailed explanations for each such document.

2. At the time of the Submitting Party's initial submission of documents to MTC, the Submitting Party must also clearly and unambiguously identify each and every such document that it contends is subject to an exemption from public disclosure as "Sensitive Information." It is the Submitting Party's responsibility to ensure that all such documents are sufficiently identified as "Sensitive Information," and Submitting Party's designation must be placed in a prominent location on the face of each and every document that it contends is exempt from disclosure under the Public Records Act.

Information submitted to MTC in any form other than a hard copy document will not be subject to the procedures set forth in this Attachment. For example, information submitted by e-mail, facsimile and/or verbally will not be subject to these procedures and may be disclosed at any time without notice to the Submitting Party.

3. Documents that are not accompanied by the written notification to MTC's General Counsel or are not properly identified by the Submitting Party as "Sensitive Information" at the time of their initial submission to MTC are presumptively subject to disclosure under the Public Records Act, and the procedures for providing the Submitting Party with notice of any formal public records request for documents, as set forth below, shall be inapplicable.
4. At the time MTC receives documents from the Submitting Party, any such documents designated by Submitting Party as "Sensitive Information" shall be segregated and stored in a secure filing area when not being utilized by appropriate MTC staff. By submitting a grant application, request for response, or any other act that involves the submission of information to MTC, the Submitting Party certifies, acknowledges and agrees that (a) MTC's receipt, segregation and storage of documents designated by Submitting Party as "Sensitive Information" does not represent a finding by MTC that such documents fall within the Trade Secrets Exemption or any other exemption to the Public Records Act, or that the documents are otherwise exempt from disclosure under the Public Records Act, and (b) MTC is not liable under any circumstances for the subsequent disclosure of any information submitted to MTC by the Submitting Party, whether or not such documents are designated as "Sensitive Information" or MTC was negligent in disclosing such documents.

5. In the event that MTC receives an inquiry or request for information submitted by a Submitting Party, MTC shall produce all responsive information without notice to the Submitting Party. In the event that the inquiry or request entails documents that the Submitting Party has previously designated as "Sensitive Information", the inquiring party shall be notified in writing that one or more of the documents it has requested has been designated by the Submitting Party as "Sensitive Information", and that a formal, written public records request must be submitted by the requesting party to MTC's General Counsel for a determination of whether the subject documents are exempt from disclosure.
6. Upon the General Counsel's receipt of a formal, written public records request for information that encompass documents previously designated by Submitting Party as "Sensitive Information", the Submitting Party shall be notified in writing of MTC's receipt of the public records request, and MTC may, but shall not be required to provide Submitting Party an opportunity to present MTC with information and/or legal arguments concerning the applicability of the Trade Secrets Exemption or some other exemption to the subject documents.
7. The General Counsel shall review the subject documents, the Public Records Act and the exemption(s) claimed by the Submitting Party in making a determination concerning their potential disclosure.

The General Counsel is the sole authority within MTC for making determinations on the applicability and/or assertion of an exemption to the Public Records Act. No employee of MTC other than the General Counsel has any authority to address issues concerning the status of "Sensitive Information" or to bind MTC in any manner concerning MTC's treatment and disclosure of such documents.

Furthermore, the potential applicability of an exemption to the disclosure of documents designated by the Submitting Party as "Sensitive Information" shall not require MTC to assert such an exemption. MTC's General Counsel retains the sole discretion and authority to assert an exemption, and he may decline to exert such an exemption if, within his discretion, the public interest is served by the disclosure of any documents submitted by the Submitting Party.

8. MTC shall provide the requesting party and Submitting Party with written notice of its determination that the subject documents are either exempt or not exempt from disclosure.
9. In the event that MTC determines that the subject documents are exempt from disclosure, the requesting party may seek review of MTC's determination before the Supervisor of Public Records, and MTC shall notify the Submitting Party in writing in the event that the requesting party pursues a review of MTC's determination.

10. In the event the requesting party pursues a review of MTC's determination that the documents are exempt from disclosure and the Supervisor of Public Records concludes that the subject documents are not exempt from disclosure and orders MTC to disclose such documents to the requester, MTC shall notify the Submitting Party in writing prior to the disclosure of any such documents, and Submitting Party may pursue injunctive relief or any other course of action in its discretion.
11. In the event that MTC determines that the subject documents are not exempt from disclosure or the General Counsel determines that, under the circumstances and in his discretion, MTC shall not assert an exemption, MTC shall notify the Submitting Party in writing prior to the disclosure of any such documents, and Submitting Party may pursue injunctive relief or any other course of action in its discretion.

The Submitting Party's submission of documentation to MTC shall require a signed certification that Submitting Party acknowledges, understands and agrees with the applicability of the foregoing procedures to any documents submitted to MTC by Submitting Party at any time, including but not limited to the acknowledgements set forth herein, and that Submitting Party shall be bound by these procedures.

All documents submitted by Submitting Party, whether designated as "Sensitive Information" or not, are not returnable to Submitting Party.

Attachment B

**MASSACHUSETTS TECHNOLOGY COLLABORATIVE
AUTHORIZED RESPONDENT'S SIGNATURE AND ACCEPTANCE FORM**

Renewable Solar Loan Initiative

Request for Proposals for Consumer Lending Services

(No. 2006-RSL-01)

The undersigned is a duly authorized representative of the Respondent listed below. The Respondent has read and understands the RFP requirements. The Respondent acknowledges that all of the terms and conditions of the RFP are mandatory, and that Respondent's response is compliant with such requirements.

The Respondent specifically acknowledges the application of the procedures regarding disclosure of sensitive information as set forth in Attachment A of the RFP, and specifically agrees that it shall be bound by those procedures. The Respondent understands that all materials submitted as part of the response are subject to disclosure under the Massachusetts Public Records Law. The applicant understands that all materials submitted as part of the application are subject to disclosure under the Massachusetts Public Records Law; and acknowledges and agrees that MTC has no obligation, and retains the sole discretion to reject any or all responses received and/or cancel all or part of this RFP at any time prior to final selection.

The Respondent further agrees that it is required to submit any exceptions and counterproposals to the contract terms in the Lender Services Agreement (appended to the RFP as Attachment F) with its response and that its failure to do so shall constitute acceptance of the terms and conditions of the Lender Services Agreement and that such terms and conditions shall not be subject to further negotiation.

Respondent agrees that the entire response will remain valid for one hundred twenty (120) days from receipt by MTC.

I hereby certify that: (i) I am an authorized representative of the Respondent herein; and (ii) the statements made in this response to the RFP, including all attachments and exhibits, are true and correct to the best of my knowledge.

Respondent: _____

(Printed Name of Respondent)

By: _____
(Signature of Authorized Representative)

Name: _____

Title: _____

Date: _____

Attachment C

Income Tax Issues

A. Exclusion from Gross Income for Social Benefit Programs

The Internal Revenue Service (the "Service") has held in a number of published and private rulings that payments to individuals by governmental units under legislatively provided social benefit programs for promotion of the general welfare are excludable from the recipient's gross income for federal income tax purposes. See Rev. Rul. 74-205, 1974 - 1 C.B. 20 (replacement housing payments received by individuals under the Housing and Urban Development Act of 1968 are not includable in gross income); Rev. Rul. 76-395, 1976 - 2 C.B. 16 (home rehabilitation grants received by low-income homeowners under a community development program funded under the Housing and Community Development Act of 1974 are not includable in gross income); PLR 200336030 (housing assistance benefits provided by a federally recognized Native American tribe to qualified members of the tribe on a needs-based priority system pursuant to the Indian Reorganization Act of 1934 are not includable in gross income).

The exclusion from gross income for payments made under social benefit programs applies whether the payments are made directly to qualifying individuals or indirectly, by payments to third parties on behalf of qualified individuals. See Rev. Rul. 78-170, 1978-1 C.B. 24 (payments made under the laws of the State of Ohio directly or indirectly to qualified individuals to reduce their cost of winter energy consumption are not includable in gross income); Rev. Rul. 75-271, 1975-2 C.B. 23 (mortgage assistance payments in the nature of interest subsidies paid under the National Housing Act to mortgagees are not includable in gross income of the homeowners).

The interest payments to be made by the Massachusetts Technology Park Corporation (the "Corporation") to mortgage lenders on behalf of homeowners under the Solar Loan Program appear to be the same type of interest subsidy that the Service ruled was not includable in gross income in Rev. Rul. 75-271, discussed above. The Corporation is a governmental body created by Chapter 40J of the Massachusetts General Laws. The Solar Loan Program is established pursuant to a governmental mandate in the Heating Energy Assistance and Tax Relief Act signed into law November 22, 2005. Funding for the Solar Loan Program will come from the Massachusetts Renewable Energy Trust Fund, established under Section 4E of Chapter 40J of the Massachusetts General Laws, which is funded by a mandatory charge per kilowatt-hour imposed on consumers of electricity in Massachusetts. Eligibility for interest subsidies under the Solar Loan Program will be based on financial need. Based on these facts, the Corporation believes that interest payments made to mortgage lenders under the Solar Loan Program will not constitute taxable income to qualifying homeowners participating in the Program. The Corporation, however, will not be obtaining any ruling from the Internal Revenue Service concerning the tax treatment of these payments. Participants in the Program are therefore urged to consult with their own tax advisors concerning the tax treatment of loans and interest subsidy payments made under the Solar Loan Program.

B. Exception to Imputed Interest Rules

Rev. Rul. 75-271 was promulgated before the enactment of §7872 of the Internal Revenue Code. Section 7872 provides that interest income must be imputed to the borrower on certain "below-market" loans which do not require payment of interest at

minimum rates published monthly by the Service. The loans made to homeowners under the Solar Loan Program could be seen as "below market" loans for purposes of §7872, since the homeowners will not be legally obligated to pay interest on the loans. Treas. Reg. §1.7872 - 5T(b)(5), however, provides an exception to the application of §7872 for loans subsidized by the federal, state, or municipal government (or any agency or instrumentality thereof) and which are made available under a program of general application to the public. The Corporation believes, therefore, that interest-free loans made to homeowners under the Solar Loan Program will not be subject to the imputed interest rules of §7872, but the Corporation will not be seeking any ruling from the Service on this issue. Homeowners participating in the Solar Loan Program are urged to consult with their own tax advisors concerning the tax treatment of loans and interest subsidy payments made under the Solar Loan Program.

Attachment D

Enabling Legislation for the Solar PV Loan Program

From the Heating Energy Assistance and Tax Relief Act, signed into law Nov. 22, 2005:

SECTION 1. Notwithstanding the provisions of any general or special law to the contrary the Massachusetts Technology Park Corporation shall, in consultation with the division of energy resources, establish a program to expand the production and use of clean, on-site distributed renewable resources by offering or causing to be offered zero interest loans to residential customers in the commonwealth to promote the purchase and installation of photovoltaic systems that will be connected to the electric distribution grid. The program shall be funded by the Massachusetts Renewable Energy Trust Fund established in section 4E of chapter 40J of the General Laws: provided further, that the fund shall expend not less than \$1,000,000 for the purposes of this program; and provided, further, that these funds and all other funds expended by the corporation in furtherance of the increased installation and use of distributed renewable generation resources by the corporation shall be deemed to be expended for the primary purpose of protecting or restoring the environment as such terms are defined in Section 126(b) of the Internal Revenue Code, as amended, and the implementing regulation set forth in Title 7 CFR Part 14. The program shall make such loans available for purchases made on or after March 1, 2006. The corporation may set standards and adopt rules and regulations to carry out the purposes of this section, including, but not limited to, establishing applicant eligibility criteria, application forms and procedures, and photovoltaic system requirements; provided that the corporation shall make or cause to be made loans to low, moderate, and upper moderate income residential customers prior to other applicants. The corporation shall submit a report detailing the standards, rules and regulations to the joint committee on telecommunication, utilities and energy no later than February 1, 2006.

Attachment E

Overview of the Small Renewables Initiative and SRI Round 3 Rebate Schedule

Small Renewables Initiative (SRI)

Grants to Support Project Installation

SUMMARY

The Small Renewables Initiative (SRI) is a \$5 million Renewable Energy Trust effort to expand the production and use of renewable energy technologies (10 kW and smaller) in Massachusetts at a variety of locations and building types. Applications for rebates of up to \$50,000 are accepted and awarded on a rolling basis until funds have been allocated.

ELIGIBLE TECHNOLOGIES

- Solar photovoltaic (PV) – eligible residential applicants can receive funding for up to a 3.5 kW system; other eligible applicants can receive funding for up to a 10 kW system.
- Wind electric – all eligible applicant can receive funding for up to a 10kW system.
- Micro-Hydroelectric – all eligible applicants can receive funding for up to a 10kW system.

ELIGIBLE APPLICANTS

- Eligible renewable energy generation system must be located at a residential, commercial, industrial, public, or institutional facility that is connected to one of the investor-owned electric distribution utilities in Massachusetts.
- Applicants must use at least 90% of the renewable project's production on-site.

AVAILABLE FUNDING

- Rebates of up to \$50,000 per project are determined based on an incentive per installed watt using the incentive matrix table shown below:

SRI Block 3: Incentive Matrix			
	<u>Technology</u>		
	PV	Wind	Hydro
Distributed Generation	(\$/watt dc)	(\$/watt ac)	(\$/watt ac)
Base Incentive (\$/watt)	\$2.50	\$2.75	\$4.00
<i>PLUS: Additions to Base</i>			
MA-manufactured components	\$0.50	\$1.00	\$0.75
Public Buildings	\$1.50	\$1.00	\$2.00
Economic Target Area	\$1.00	\$1.00	\$1.00
Back-up for Critical Loads	\$0.50	\$0.10	N/A
Building-Integrated PV	\$1.00	N/A	N/A
Affordable Housing			
20% to less than 50% Low-income/ Affordable Housing (40-B), or	\$1.00	\$1.00	\$1.00
50% or greater Low-income/ Affordable Housing (40-B)	\$2.50	\$2.50	\$2.50
High Performance Buildings			
Green Buildings (LEED/CHPS), or	\$1.50	\$1.00	\$2.00
Advanced Buildings/ High Performance Homes (Energy Star)	\$0.50	\$0.35	\$0.75

Attachment F

Lender Services Agreement

This agreement ("Agreement") is entered into by and between the Massachusetts Technology Park Corporation, an independent public instrumentality of the Commonwealth of Massachusetts, doing business as the Massachusetts Technology Collaborative (hereinafter "MTC"), and [lender], having its main office at [address] (hereinafter the "Lender") (collectively MTC and Lender may be referred to herein as the "Parties" and each, singly, as a "Party").

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and the mutual benefits to be derived herefrom, the Parties, intending to be legally bound, hereby covenant and agree as follows:

1. Background.

MTC is authorized to use funds from the Massachusetts Renewable Energy Trust (the "Trust") to promote the purchase and installation of photovoltaic systems that will be connected to the electric distribution grid (the "Solar Loan Program"), pursuant to the power granted to MTC by the Heating Energy Assistance and Tax Relief Act of 2005 (the "Act"). The Lender agrees to participate in the Solar Loan Program subject to the terms and conditions of this Agreement.

2. Arrangement.

- (a) In this Agreement, a "Qualifying Loan" shall mean a loan to a Qualified Participant, as defined below, to be used for the sole purpose of purchasing and installing an Approved Photovoltaic System on a Qualified Participant's primary residence in Massachusetts. For purposes of this Agreement, an Approved Photovoltaic System means a system which meets the minimum technical requirements as outlined in Schedule D of this agreement. Principal of a Qualifying Loan shall be payable in periodic equal installments over a term of not less than ____ years. Qualified Participants receiving such Qualifying Loans shall not be responsible for paying the interest on the Qualifying Loans, nor any approved fees due at the closure of the loan. Late payment fees, default fees and other fees incurred by the Qualified Participant after loan closure will be paid solely by the Qualified Participant. Schedule A sets forth the qualifications that an individual must meet to be a "Qualified Participant" under the Solar Loan Program.
- (b) The Lender agrees to accept applications for Qualifying Loans. Such applications shall be subject to Lender's underwriting and other eligibility criteria for the Solar Loan Program. The Lender shall be solely responsible for the underwriting and servicing of the Qualifying Loans. All Qualifying Loans will be made pursuant to the documentation set forth in Schedule B. All Qualifying Loans are unsecured, except as otherwise agreed to by the Parties in a written amendment to this Agreement.
- (c) Subject to the terms and conditions of this Agreement, MTC shall be obliged to pay Lender an amount equal to the present value of the total of all interest scheduled for accrual over the term of each Qualifying Loan, discounted at a rate of ____ % per annum, plus fees and any other closing costs, all as set forth on Schedule C (each an "MTC Obligation"), provided that Lender shall repay to MTC that portion of any funded MTC Obligation which represents interest accrued on principal that is prepaid in full or part by the Qualified Participant during the first half of the term of any Qualified Loan. Any interest amounts required to be repaid to MTC due to the

prepayment of a Qualified Loan as set forth above, will be released to MTC on a quarterly basis by the Lender, together with a reasonably detailed accounting of such payments.

(d) The aggregate MTC Obligations under this Agreement shall not exceed \$1,250,000.

(e) Loans will be made available to Qualified Participants for Approved Photovoltaic Systems, as described above, which are placed in service between the dates of March 1, 2006, and 18 months from the finalization of this Agreement. An Approved Photovoltaic System is considered in service when documentation of its interconnection by the relevant electrical distribution utility and its successful permitting by local electrical inspection authorities are both complete.

3. Payment.

On a quarterly basis, Lender shall provide MTC with an accounting of the Qualifying Loans made during the previous quarter and a reasonably detailed calculation of the amounts of the MTC Obligations relating to said loans. With each such accounting, Lender shall certify to MTC that all said loans satisfy the criteria for Qualifying Loans and that all required documentation has been obtained. Within twenty (20) days of receipt of each such accounting, MTC shall pay Lender the MTC Obligations stated therein. MTC shall have the right, but not the obligation, to audit and review all loan documents and materials related to the Qualifying Loans, no more frequently than once per quarter.

4. Term

(a) Either Party may terminate this Agreement at any time, with or without cause, by giving the other Party written notice of termination.

(b) This Agreement shall terminate immediately and automatically if the Act is rendered invalid by subsequent legislation or a court ruling.

(c) Within 30 days after such termination, each party to this Agreement shall pay to the other all Obligations to the other party that accrued prior to termination. After payment of the amounts specified in this subsection 3(c), MTC shall have no further obligation to the Lender under this Agreement. The Lender will still be required to repay MTC for any interest refunds due to prepaid principal amounts, as outlined above.

(d) Termination of this Agreement shall not modify, terminate or otherwise affect any Qualifying Loans then outstanding.

5. Lender's Responsibility for Loans.

MTC is not responsible for any default or failure of a Qualified Participant to make payment under a Qualifying Loan. MTC makes no representation whatsoever regarding the credit worthiness of the Qualified Participants. It shall be the Lender's sole responsibility to assess the credit worthiness of each Qualified Participant and to collect principal payments owed.

6. Notices.

Any notices required hereunder shall be in writing and shall be given to the parties by hand, by facsimile, by nationally recognized overnight courier service or by express, registered or certified mail, postage prepaid, return receipt requested, at the addresses set forth below:

if to MTC: Matthew L. Schemmel
Associate General Counsel
Massachusetts Technology Collaborative
75 North Drive
Westborough, MA 01581

with a copy to: Melissa J. Solomon, Esq.
Day, Berry & Howard LLP
One International Place
Boston, MA 02110

if to Lender:

with a copy to:

Any notice hereunder shall be in writing and shall be sent either (i) by facsimile, (ii) by courier, or (iii) by first class mail, postage, prepaid, addressed to the personnel at the addresses listed in this Section 6 (or to such other address as a party may provide by notice to the party pursuant to this Section 6), and shall be effective (i) if dispatched by facsimile and delivery is electronically confirmed by said media, the day such electronic confirmation is received, (ii) if sent by courier, one business day after dispatch, (iii) if sent by first class mail, five business days after its date of posting.

7. Assignment.

Neither Party may assign this Agreement, and any assignment in violation of this Agreement shall be null and void. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8. Governing Law.

This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflicts of law rules. The parties hereby submit to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts.

9. Entire Agreement.

This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes all prior oral and written understandings between the parties.

10. Amendments.

This Agreement may be changed, modified or amended from time to time only in a writing signed by the Parties.

11. Waiver.

No waiver of any provision of this Agreement or any breach hereunder shall be deemed a waiver of any other provision or subsequent breach, nor shall any such waiver constitute a continuing waiver. Delay or failure of any party to insist on strict performance or observance of any provision of this Agreement or to exercise any rights or remedies hereunder shall not be deemed a waiver. Any waiver shall be effective only if in writing and signed by the waiving party.

In witness whereof, the parties hereto has set their hands this _____ day of _____, 2006

**The Massachusetts Technology Park Corporation
d/b/a Massachusetts Technology Collaborative**

<Lender>

By: _____

By: _____

Name: Mitchell Adams

Name: _____

Title: Executive Director

Title: _____

Date: _____

Date: _____

Schedule A

Qualifications of Qualified Participants

- Owner of primary residence in Massachusetts.
- Low, moderate or upper moderate income shall be determined by comparing the applicant's gross income for the most recent thirteen (13) week period at the time of application, annualized, to the U.S. Department of Housing and Urban Development's median income for the current fiscal year for the applicant's household size within the individual's official or proposed metropolitan statistical area which must be in Massachusetts.
- The residence must be served by an investor-owned electric distribution utility, meaning a privately-owned, rate-regulated, electric utility whose stock is publicly traded.

Schedule B

Required Documentation

Loan Application and Documentation Requirements:

[Lender to provide closing checklist form and forms of documents. Closing checklist shall include:

- Purchase Order or contract for purchase of system
- Evidence that system is an Approved Photovoltaic System, as defined herein
- Evidence that installer is appropriately licensed
- Evidence that residence on which Approved Photovoltaic System was installed is served by an investor-owned electric utility and that the Approved Photovoltaic System has been connected to the electrical grid
- Electrical inspection approved
- Warranty to the satisfaction of Lender
- Evidence to satisfaction of MTC that funds were spent on the purchase and installation of the Approved Photovoltaic System on the Qualified Participant's primary residence within the same metropolitan statistical area that the Qualified Participant claims as their area of residence for income qualification purposes.

Schedule C

Interest, Fees and Costs

[Lender to provide interest rate for different credit bands, plus closing fees and costs for Qualifying Loans and discount rate.]

Schedule D

Minimum Technical Specifications for Approved Photovoltaic Systems

All Approved Photovoltaic Systems must demonstrate compliance with the minimum technical requirements set forth in this attachment. These requirements are not intended to be all-encompassing, nor is this attachment intended to be a substitute for engineering specifications or for safety requirements. Site specific conditions and/or local requirements may require additional or specific technical requirements not contained in the following minimum requirements.

Minimum Technical Requirements	
Installation General Requirements	<p>The Approved Photovoltaic System must be installed according to the manufacturer's instructions and in compliance with all applicable codes and standards including:</p> <ul style="list-style-type: none">• The provisions of the National Electric Code (NEC) [most recent available at time of installation]• Local, state, and /or federal building codes and practices• All systems must have an appropriate electric utility interconnection agreement in place at the time of interconnection to the utility grid.• All pertinent permits and inspections must be obtained and copies kept on file as may be required by local codes and/or state law. <p>Additional general installation practices to be followed include that:</p> <ul style="list-style-type: none">• All interconnecting wires must be copper and all wiring connections must be properly made, insulated, and weather-protected.• Areas where wiring passes through ceilings, walls, or other areas of the building must be properly restored, booted, and sealed.• Thermal insulation in areas where wiring is installed to be returned to "as found or better" condition.• Warning labels must be posted on the control panels and junctions boxes indicating that the circuits are energized by an alternate power source independent of utility-provided power.• Owner's manual of operating and maintenance instructions is provided to the system owner and preferably also posted on or near the system. The owner's manual should include manufacturers specifications, serial numbers, warranty policies, etc.• Owners are provided with, at minimum, a basic training orientation that includes maintenance instructions, troubleshooting, meter reading, and electric production reporting instructions.• Electrical production estimates are specific to the site and equipment.
Mandatory Commissioning	<p>The Approved Photovoltaic System must be independently commissioned and a commissioning report must be prepared. Commissioning is the process of ensuring that the renewable energy systems are designed, installed, functionally tested, and capable of being maintained and operated according to the approved design and owner's operational needs. At a minimum, the commissioning report should include: inspection process and findings, system and component testing process and findings, and initial system performance findings.</p>

Equipment	<p>The equipment and components that comprise the Approved Photovoltaic System must have the following characteristics:</p> <ul style="list-style-type: none"> • New equipment of a design suitable for the proposed installation. All solar photovoltaic equipment funded in part or in whole by MTC must be new. • UL listed and compliant with Institute of Electrical and Electronics Engineers (IEEE) standards • Minimum five-year full warranty or comparable service contract coverage to the purchaser against defects, failures, breakdowns, or excessive degradation of electrical output. The warranty shall cover the full cost, including labor, of repair or replacement of defective components or systems.
Solar Photovoltaic Specific Requirements	<p>In addition to the general requirements noted above, solar photovoltaic applications must also comply with the following specific requirements:</p> <ul style="list-style-type: none"> • All photovoltaic modules must be certified by a nationally-recognized testing laboratory as meeting the requirements of the Underwriters Laboratory (UL) Standard 1703. • All inverters must be certified as meeting the requirements of IEEE 929 and UL 1741. • The Approved Photovoltaic System must adhere to a minimum design threshold such that the estimated system output for the system is at least 75% of the default output estimated by PVWATTS. PVWATTS is available at the following website: http://rredc.nrel.gov/solar/codes_algs/PVWATTS/. • Solar arrays must be oriented southerly between 90° (due east) and 270° (due west). • Follow “Photovoltaic Power Systems and the 2005 National Electrical Code: Suggested Practices”. http://www.nmsu.edu/Research/tdi/public_html/roswell-8opt.pdf
Meter	<p>Each electricity-producing renewable technology proposed for MTC funding will have a dedicated meter that:</p> <ul style="list-style-type: none"> • Is readily accessible and easily understood by the system owner; • records only the system's AC output as measured on the AC side of the system's isolation transformer; in the case of DC only systems the meter should record the system output provided to the facility load; if a storage device is integral to the system, the meter should record the output from the storage device; • shall be separate from the utility billing meter and shall not interfere with utility billing or net-metering; • must be a standard utility “revenue quality” meter that conforms to applicable American National Standards Institute (ANSI) C-12 standards and shall be installed on the output side of the renewable system's isolation transformer; and • shall have a visible display of cumulative energy produced by the renewable energy system and be available for periodic testing and/or re-calibration, if necessary. • More information about meter requirements can be found at: http://ar.masstech-pts.org/downloads/

<p>Automated Reporting to MTC's Production Tracking System (PTS)</p>	<p>All renewable energy systems supported must include an Automated Reporting system which meets the requirements described below. Automated Reporting offers an alternative to the process of manual meter reading and subsequent reporting to the MTC Production Tracking Systems (PTS). This option is only available for systems tracked by a Data Acquisition System (DAS).</p> <p>There are three options for establishing automated reporting to the PTS:</p> <ol style="list-style-type: none"> 1) Vendor-Supplied System: A DAS that has local PTS-incorporated Automated Reporting features. 2) Vendor-Supplied Service: A DAS with a service that offers remote monitoring that has PTS-incorporated Automated Reporting features. 3) Sample Source Code Integration: A DAS vendor or service provider can customize the software of their system to incorporate this data transfer functionality. <p>For options 1 and 2, MTC has approached DAS vendors and service providers about incorporating PTS Automated Reporting capabilities into their products. Your vendor or service provider may have already included this capability in your DAS, or have the ability to add the capability. Contact your vendor or contact MTC for a list of products that have incorporated Automated Reporting capabilities.</p> <p>More information about Automated Reporting requirements can be found at: http://ar.masstech-pts.org/downloads/</p>
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